

SCHEDULE RI-B -- CHARGE-OFFS AND RECOVERIES ON LOANS AND LEASES AND CHANGES IN ALLOWANCE FOR CREDIT LOSSES

For those banks required to establish and maintain an allocated transfer risk reserve as specified in Section 905(a) of the International Lending Supervision Act of 1983, in the agency regulations implementing the Act (Subpart D of Federal Reserve Regulation K, Part 351 of the FDIC's Rules and Regulations, and Part 20 of the Comptroller of the Currency's Regulations), and in any guidelines, letters, or instructions issued by the agencies, this schedule excludes charge-offs and recoveries of loans and leases through such an allocated transfer risk reserve and excludes a reconciliation of this reserve.

Part I. Charge-offs and Recoveries on Loans and Leases

General Instructions

This part has two columns. In column A report loans and leases charged off against the allowance for loan and lease losses during the current calendar year-to-date. In column B report amounts recovered through the allowance for loan and lease losses during the calendar year-to-date on loans and leases previously charged off.

These instructions should be read in conjunction with the Glossary entry for "allowance for loan and lease losses" and "domicile."

Item Instructions

NOTE: The item instructions for part I for the FFIEC 033 and 034 report forms are presented on pages RI-B-1 through RI-B-4. The item instructions for part I for the FFIEC 031 and 032 report forms are presented on pages RI-B-5 through RI-B-7.

Item Instructions for the FFIEC 033 and 034

Schedule RI-B is one of four schedules (and one memorandum item) in the FFIEC 033 and 034 Reports of Condition and Income in which banks are permitted to report loan detail in terms of general loan categories that are based upon each bank's own internal loan categorization system. While the definitions for the general loan categories are left to the choice of each reporting bank, each bank must use consistent definitions for these categories in each of the four schedules and the memorandum item. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.

Item No. Caption and Instructions

- 1 **Real estate loans.** Report in columns A and B, as appropriate, real estate loans charged off and recovered. For purposes of this schedule, real estate loans include those loans that each reporting bank characterizes as such in its own recordkeeping systems or for its own internal purposes. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.

Part I. (cont.)**Item Instructions for FFIEC 033 and 034 (cont.)****Item No. Caption and Instructions**

- 2 **Installment loans.** Report in columns A and B, as appropriate, installment loans charged off and recovered. For purposes of this schedule, installment loans include those loans that each reporting bank characterizes as such in its own recordkeeping systems or for its own internal purposes. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.
- 3 **Credit cards and related plans.** Report in columns A and B, as appropriate, all extensions of credit under credit cards and related plans charged off and recovered. For purposes of this schedule, credit cards and related plans include those loans that each reporting bank characterizes as such in its own recordkeeping systems or for its own internal purposes. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.
- 4 **Commercial (time and demand) and all other loans.** Report in columns A and B, as appropriate, commercial (time and demand) and all other loans charged off and recovered. For purposes of this schedule, commercial (time and demand) and all other loans is a residual category and, for each bank, its contents will depend on the contents of the three preceding categories of loans. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.
- 5 **Lease financing receivables.** Report in columns A and B, as appropriate, all leases (as defined on the FFIEC 034 for Schedule RC-C, part I, item 9, and on the FFIEC 033 for Schedule RC-C, part I, item 10, "Lease financing receivables (net of unearned income)") charged off and recovered.
- 6 **Total.** Report in columns A and B the sum of items 1 through 5. The amount reported in column A must equal Schedule RI-B, part II, item 3, "Charge-offs," and the amount reported in column B must equal Schedule RI-B, part II, item 2, "Recoveries."

Memoranda**FFIEC 034 FFIEC 033****Item No. Item No. Caption and Instructions**

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| - | 1 | <u>Loans to foreign governments and official institutions included in part I, items 1 through 4 above.</u> Report in columns A and B, as appropriate, loans to foreign governments and official institutions (as defined for Schedule RC-C, part I, item 7, "Loans to foreign governments and official institutions") charged off and recovered. These charge-offs and recoveries will have been included in one or more of items 1 through 4 above. |
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Part I. (cont.)**Item Instructions for FFIEC 033 and 034 (cont.)****Memoranda****FFIEC 034 FFIEC 033****Item No. Item No. Caption and Instructions**

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| 1 | 2 | <p><u>Agricultural loans included in part I, items 1 through 4 above.</u> To be reported by banks with loans to finance agricultural production and other loans to farmers (as reported in Schedule RC-C, part I, item 3) <u>exceeding five percent</u> of total loans, net of unearned income (sum of Schedule RC-C, part I, items 1 through 8, less item 10 on the FFIEC 034; sum of Schedule RC-C, part I, items 1 through 9, less item 11 on the FFIEC 033).</p> <p style="margin-left: 40px;">Report in columns A and B, as appropriate, agricultural loans charged off and recovered. These charge-offs and recoveries will have been included in one or more of items 1 through 4 above. For purposes of this schedule, agricultural loans include those loans that each reporting bank characterizes as such in its own recordkeeping systems or for its own internal purposes. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.</p> <p style="margin-left: 40px;">Banks with loans to finance agricultural production and other loans to farmers (as reported in Schedule RC-C, part I, item 3) <u>less than or equal to five percent</u> of total loans, net of unearned income (sum of Schedule RC-C, part I, items 1 through 8, less item 10 on the FFIEC 034; sum of Schedule RC-C, part I, item 1 through 9, less item 11 on the FFIEC 033), should report a zero or the word "none" in this item.</p> |
| 2-3 | 3 | Not applicable. |
| 4 | 4 | <p><u>Loans to finance commercial real estate, construction, and land development activities included in Schedule RI-B, part I, items 2 through 4, above.</u> Report in columns A and B, as appropriate, loans to finance commercial real estate, construction, and land development activities not secured by real estate (as defined for Schedule RC-C, part I, Memorandum item 4) charged off and recovered. Such loans will have been included in items 2, 3, and 4 of Schedule RI-B, part I, above. Exclude from this item all real estate loans included in item 1 of Schedule RI-B, part I, above.</p> |
| 5 | 5 | <p><u>Real estate loans.</u> Report in the appropriate subitem all real estate loans included in Schedule RI-B, part I, item 1, above. The sum of Memorandum items 5.a through 5.e must equal Schedule RI-B, part I, item 1.</p> |
| 5.a | 5.a | <p><u>Construction and land development.</u> Report in columns A and B, as appropriate, real estate loans for construction and land development purposes charged off and recovered. Refer to Schedule RC-C, part I, item 1.a, for a description of "construction and land development."</p> |

Part I. (cont.)**Item Instructions for FFIEC 033 and 034 (cont.)****Memoranda****Item No. Caption and Instructions**

- 5.b Secured by farmland.** Report in columns A and B, as appropriate, real estate loans secured by farmland charged off and recovered. Refer to Schedule RC-C, part I, item 1.b, for a description of "farmland."
- 5.c Secured by 1-4 family residential properties.** Report in the appropriate subitem all real estate loans secured by 1-4 family residential properties charged off and recovered. Refer to Schedule RC-C, part I, item 1.c, for a description of "1-4 family residential properties."
- 5.c.(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report in columns A and B, as appropriate, all revolving, open-end real estate loans secured by 1-4 family residential properties and extended under lines of credit charged off and recovered. Refer to Schedule RC-C, part I, item 1.c.(1), for a description of "revolving, open-end loans."
- 5.c.(2) All other loans secured by 1-4 family residential properties.** Report in columns A and B, as appropriate, all closed-end real estate loans secured by first or junior liens on 1-4 family residential properties charged off and recovered.
- 5.d Secured by multifamily (5 or more) residential properties.** Report in columns A and B, as appropriate, all real estate loans secured by multifamily (5 or more) residential properties charged off and recovered. Refer to Schedule RC-C, part I, item 1.d, for a description of "multifamily (5 or more) residential properties."
- 5.e Secured by nonfarm nonresidential properties.** Report in columns A and B, as appropriate, all real estate loans secured by nonfarm nonresidential properties charged off and recovered. Refer to Schedule RC-C, part I, item 1.e, for a description of "nonfarm nonresidential properties."

Part I. (cont.)**Item Instructions for the FFIEC 031 and 032****Item No. Caption and Instructions****1 Loans secured by real estate:**

1.a To U.S. addressees (domicile). Report in columns A and B, as appropriate, loans secured by real estate (as defined for Schedule RC-C, part I, item 1, "Loans secured by real estate") to U.S. addressees charged off and recovered.

1.b To non-U.S. addressees (domicile). Report in columns A and B, as appropriate, loans secured by real estate (as defined for Schedule RC-C, part I, item 1, "Loans secured by real estate") to non-U.S. addressees charged off and recovered.

2 Loans to depository institutions and acceptances of other banks:

2.a To U.S. banks and other U.S. depository institutions. Report in columns A and B, as appropriate, loans to U.S. banks and other U.S. depository institutions and acceptances of U.S. banks (as defined for Schedule RC-C, part I, item 2.a.(2), "Loans to other commercial banks in the U.S.," item 2.b, "Loans to other depository institutions in the U.S.," item 2.c.(1), "Loans to foreign branches of other U.S. banks," and item 5.a, "Acceptances of U.S. banks") charged off and recovered.

2.b To foreign banks. Report in columns A and B, as appropriate, loans to foreign banks and acceptances of foreign banks (as defined for Schedule RC-C, part I, item 2.a.(1), "Loans to U.S. branches and agencies of foreign banks," item 2.c.(2), "Loans to other banks in foreign countries," and item 5.b, "Acceptances of foreign banks") charged off and recovered.

3 Loans to finance agricultural production and other loans to farmers. Report in columns A and B, as appropriate, agricultural loans (as defined for Schedule RC-C, part I, item 3, "Loans to finance agricultural production and other loans to farmers") charged off and recovered.

4 Commercial and industrial loans:

4.a To U.S. addressees (domicile). Report in columns A and B, as appropriate, commercial and industrial loans (as defined for Schedule RC-C, part I, item 4.a, "Commercial and industrial loans to U.S. addressees") charged off and recovered.

4.b To non-U.S. addressees (domicile). Report in columns A and B, as appropriate, commercial and industrial loans (as defined for Schedule RC-C, part I, item 4.b, "Commercial and industrial loans to non-U.S. addressees") charged off and recovered.

5 Loans to individuals for household, family, and other personal expenditures:

5.a Credit cards and related plans. Report in columns A and B, as appropriate, all extensions of credit under credit cards and related plans (as defined for Schedule RC-C, part I, item 6.a, "Credit cards and related plans") charged off and recovered.

Part I. (cont.)**Item Instructions for the FFIEC 031 and 032 (cont.)****Item No. Caption and Instructions**

- 5.b Other.** Report in columns A and B, as appropriate, other loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6.b, "Other") charged off and recovered.
- 6 Loans to foreign governments and official institutions.** Report in columns A and B, as appropriate, all loans to foreign governments and official institutions (as defined for Schedule RC-C, part I, item 7, "Loans to foreign governments and official institutions") charged off and recovered.
- 7 All other loans.** Report in columns A and B, as appropriate, obligations of states and political subdivisions in the U.S. (as defined for Schedule RC-C, part I, item 8, "Obligations (other than securities and leases) of states and political subdivisions in the U.S.") and other loans (as defined for Schedule RC-C, part I, item 9, "Other loans") charged off and recovered.
- 8 Lease financing receivables:**
- 8.a Of U.S. addressees (domicile).** Report in columns A and B, as appropriate, leases (as defined for Schedule RC-C, part I, item 10.a, "Lease financing receivables of U.S. addressees") charged off and recovered.
- 8.b Of non-U.S. addressees (domicile).** Report in columns A and B, as appropriate, leases (as defined for Schedule RC-C, part I, item 10.b, "Lease financing receivables of non-U.S. addressees") charged off and recovered.
- 9 Total.** Report in columns A and B the sum of items 1 through 8. The amount reported in column A must equal part II, item 3, column A, "Charge-offs," below, and the amount reported in column B must equal part II, item 2, column A, "Recoveries," below.

Memorandum**Item No. Caption and Instructions**

- 1-3 Not applicable.**
- 4 Loans to finance commercial real estate, construction, and land development activities included in Schedule RI-B, part I, items 4 and 7, above.** Report in columns A and B, as appropriate, loans to finance commercial real estate, construction, and land development activities not secured by real estate (as defined for Schedule RC-C, part I, Memorandum item 4) charged off and recovered. Such loans will have been included in items 4 and 7 of Schedule RI-B, part I, above. Exclude from this item all loans secured by real estate included in item 1 of Schedule RI-B, part I, above.

Part I. (cont.)**Item Instructions for the FFIEC 031 and 032 (cont.)****Memorandum****Item No. Caption and Instructions**

- 5 Loans secured by real estate (in domestic offices).** Report in the appropriate subitem all loans secured by real estate included in Schedule RI-B, part I, item 1, above. On the FFIEC 031, the sum of Memorandum items 5.a through 5.e must not exceed the amount reported in Schedule RI-B, part I, item 1. On the FFIEC 032, the sum of Memorandum items 5.a through 5.e must equal Schedule RI-B, part I, item 1.
- 5.a Construction and land development.** Report in columns A and B, as appropriate, loans secured by real estate for construction and land development purposes (as defined for Schedule RC-C, part I, item 1.a, (column B on the FFIEC 031)) charged off and recovered.
- 5.b Secured by farmland.** Report in columns A and B, as appropriate, loans secured by farmland (as defined for Schedule RC-C, part I, item 1.b, (column B on the FFIEC 031)) charged off and recovered.
- 5.c Secured by 1-4 family residential properties.** Report in the appropriate subitem all loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c, (column B on the FFIEC 031)) charged off and recovered.
- 5.c.(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report in columns A and B, as appropriate, all revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (as defined for Schedule RC-C, part I, item 1.c.(1), (column B on the FFIEC 031)) charged off and recovered.
- 5.c.(2) All other loans secured by 1-4 family residential properties.** Report in columns A and B, as appropriate, all closed-end loans secured by first or junior liens on 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2), (column B on the FFIEC 031)) charged off and recovered.
- 5.d Secured by multifamily (5 or more) residential properties.** Report in columns A and B, as appropriate, all loans secured by multifamily (5 or more) residential properties (as defined for Schedule RC-C, part I, item 1.d, (column B on the FFIEC 031)) charged off and recovered.
- 5.e Secured by nonfarm nonresidential properties.** Report in columns A and B, as appropriate, all loans secured by nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e, (column B on the FFIEC 031)) charged off and recovered.

Part II. Changes In Allowance for Credit Losses

General Instructions

Report the reconciliation of the allowance for credit losses on a calendar year-to-date basis. On the FFIEC 034, Schedule RI-B, part II is to be completed for the report period ending December 31.

The AICPA's Audit and Accounting Guide for Banks and Savings Institutions requires the allocation on the balance sheet of the allowance for credit losses between on-balance sheet financial instruments and off-balance sheet credit exposures. For purposes of these reports, banks should allocate the allowance for credit losses on Schedule RC, Balance Sheet, consistent with their allocation methodology for other financial reporting purposes. Portions of the allowance related to off-balance sheet credit exposures that are reported as liabilities should be reported in Schedule RC, item 20, "Other liabilities," and in item 4 of Schedule RC-G. However, banks should aggregate these components of the allowance for credit losses when completing Schedule RI-B, part II. Banks are encouraged to disclose the amounts of these components in Schedule RI-E, item 9, "Other explanations."

Exclude the balances of any capital reserves included in Schedule RC, item 26.a, "Undivided profits and capital reserves," and the effects of any transactions therein.

Refer to the Glossary entry for "allowance for loan and lease losses" for further information.

If the bank has entered into a business combination that became effective during the reporting period which has been accounted for as a pooling of interests, include the recoveries, charge-offs, and provisions of the combined bank or other business for the calendar year-to-date. Report the balance as of the end of the previous year of the allowance for credit losses of the bank or other business acquired in the pooling in item 5, "Adjustments."

If the bank purchased another bank or business during the reporting period, include the recoveries, charge-offs, and provisions of the combined bank or other business only after its acquisition. Report the amount of the allowance for credit losses of the bank or other business acquired as of the effective date of the business combination in item 5, "Adjustments."

If the bank was acquired in a transaction which became effective during the reporting period and push down accounting was used to account for the acquisition, include only the recoveries, charge-offs, and provisions from the effective date of the bank's acquisition through the end of the year-to-date reporting period. Report the change in the balance of the allowance for credit losses from the end of the previous year through the effective date of the bank's acquisition in item 5, "Adjustments."

For further information on poolings of interests, purchase acquisitions, and push down accounting, see the Glossary entry for "business combinations."

Part II. (cont.)**Item Instructions****Item No. Caption and Instructions****1 Balance originally reported in the December 31, 19xx, Reports of Condition and Income**

Report the balance in the allowance for credit losses from the Reports of Condition and Income as of the previous calendar year-end. The allowance for credit losses includes the allowance for loan and lease losses plus any portions of the allowance for credit losses related to off-balance sheet credit exposures. The amount reported in this item should equal the amount originally reported as the ending balance in Schedule RI-B, part II, item 6, for the previous calendar year-end before the filing of any amended report(s).

2 Recoveries. Report the amount credited to the allowance for loan and lease losses for recoveries during the calendar year-to-date on amounts previously charged against the allowance for loan and lease losses. Also include amounts credited to any portions of the allowance for credit losses related to off-balance sheet credit exposures for recoveries on amounts previously charged-off against this allowance.

On the FFIEC 033 and 034, the amount reported in this item must equal Schedule RI-B, part I, item 6, column B, plus any recoveries credited to portions of the allowance for credit losses related to off-balance sheet credit exposures. On the FFIEC 031 and 032, the amount reported in this item must equal Schedule RI-B, part I, item 9, column B, (plus any recoveries credited to portions of the allowance for credit losses related to off-balance sheet credit exposures).

3 LESS: Charge-offs. Report the amount of all loans and leases charged against the allowance for loan and lease losses during the calendar year-to-date. Also include the amount of losses on off-balance sheet credit exposures charged to any portions of the allowance for credit losses related to off-balance sheet credit exposures.

On the FFIEC 033 and 034, the amount reported in this item must equal Schedule RI-B, part I, item 6, column A, plus any losses charged against any portions of the allowance for credit losses related to off-balance sheet credit exposures. On the FFIEC 031 and 032, the amount reported in this item must equal Schedule RI-B, part I, item 9, column A, plus any losses charged against any portions of the allowance for credit losses related to off-balance sheet credit exposures.

4 Provision for credit losses. Report the amount expensed as the provision for credit losses during the calendar year-to-date. The provision for credit losses includes the amount needed to make the allowance for loan and lease losses adequate to absorb expected loan and lease losses plus any amount provided for credit losses related to off-balance sheet credit exposures, based upon management's evaluation of the bank's current loan, lease, and off-balance sheet credit exposures. The amount reported in this item must equal Schedule RI, item 4.a. If the amount reported in this item is negative, enclose it in parentheses.**5 Adjustments.** Report the net cumulative effect of all corrections and adjustments made in any amended report(s) to the amount originally reported as the ending balance of the allowance for credit losses in the Reports of Condition and Income as of the previous calendar year-end.

Part II. (cont.)**Item No. Caption and Instructions**

- 5** Report the allowance for credit losses of a bank or other business acquired in a business combination during the calendar year-to-date reporting period. Determine the amount to be reported in this item in accordance with the General Instructions at the beginning of part II.

(cont.)

If the bank was acquired in a transaction which became effective during the reporting period and push down accounting was used to account for the acquisition, report the change in the balance of the allowance for credit losses from the end of the previous year through the effective date of the bank's acquisition in this item.

For those banks required to establish and maintain an allocated transfer risk reserve, report all allowable adjustments made during the reporting period between the regular allowance for loan and lease losses and the allocated transfer risk reserve as specified in Section 905(a) of the International Lending Supervision Act of 1983, in the agency regulations implementing the Act (Federal Reserve Regulation K, Part 351 of the FDIC Rules and Regulations, and Part 20 of the Comptroller of the Currency's Regulations), and in any guidelines, letters, or instructions issued by the agencies.

For banks with foreign offices that file the FFIEC 031 report forms, report any increases or decreases resulting from the translation into dollars of any portions of the allowance for credit losses which are denominated in a foreign currency.

If the amount reported in this item is negative, enclose it in parentheses.

State the dollar amount of and describe each transaction included in this item in Schedule RI-E, Explanations, item 8.

- 6** **Balance end of current period.** Report the sum of items 1, 2, 4, and 5, minus item 3. The amount reported in this item must equal Schedule RC, item 4.b, "Allowance for loan and lease losses," plus any portions of the allowance for credit losses related to off-balance sheet credit exposures. Banks are encouraged to disclose the amounts of these other portions of the allowance for credit losses in Schedule RI-E, item 9, "Other explanations."